

## Fire Department Personnel Staff Additions

### Overview

Based upon data supplied by the Fire Chief, the addition of 3 full-time fire department personnel, partially funded by a SAFER Grant, will result in a net operating cost to the town of ~\$63,000 in FY 2014. This net increase is summarized as follows:

	FY2014
Gross Cost Increase	\$213,829
Grant	\$0
FD Concessions	\$23,249
FD Savings	\$46,046
FD Added Revenue	\$81,500
Net Cost	\$63,034

The full details of each line item from FY2010 through FY2014 are presented in Exhibit 1.

### Details

The SAFER Grant will help the town fund the addition of three (3) full time (FT) firefighters who will also be paramedics. The grant cover ~63% of the costs the first year and the fire department identified ~\$69,000 of savings in the FY2010 budget (Exhibit 1) to cover the remaining 37%. The fire department has committed to continue these savings going forward. The fire department has also identified added revenues (detailed in Exhibit 1) of ~\$10,000 beginning in the first year, growing to ~\$81,000 by the fifth year. The aggregate effect of the added cost, department concessions and added revenue results in a net increase in the town's operating cost of ~\$63,000 in the fifth year.

### Override

The Board of Selectmen and Advisory Board deemed it appropriate to present this Grant to the voters in the form of an override to cover (1) the ongoing added cost of the staff additions after the grant expires and (2) provide downside protection if further budget reduction mandated cuts in the fire department budget causing the grant to be paid back to the grantor. The amount specified for the override was \$90,000 which was approximately 50% above the \$63,000 ongoing cost identified by the fire department. The plan is to place the monies generated by the override into the Stabilization Fund to cover the six (6) scenarios outlined in Exhibit 2.

### Summary

The \$90,000 override was targeted to provide ~\$25,000 of contingency based upon the numbers presented by the fire department at town meeting. Provided that the fire department sustains the \$69,000 budget reductions going forward AND realizes and maintains \$81,000 in additional annual revenue by the fifth year, the financial

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assumptions presented to the voters will remain valid. Erosion in either number will jeopardize the ability of the town to sustain the staff additions.

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Approved by:

F. William Johnson  
Chairman: Advisory Board

Norman Thidemann  
Interim Town Administrator

Jonathan Dennehy  
Selectman

Margaret Whitney  
Selectman

Paul Zbikowski  
Fire Chief

## Fire Department Personnel Staff Additions

### Exhibit 1 – Cost & Funding of Staff Additions

#### Added Cost

	FY2010	FY2011	FY2012	FY2013	FY2014
Personnel	\$155,283	\$160,718	\$166,343	\$172,165	\$178,191
Fringe Benefits	\$31,057	\$32,144	\$33,269	\$34,433	\$35,639
Total Added Cost	\$186,340	\$192,862	\$199,612	\$206,598	\$213,829

#### Funding

Grant	\$117,045	\$104,025	\$65,010	\$39,060	\$0
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#### Department Concessions/Savings

Chief Pay increase in FY 2010	\$3,013	\$3,013	\$3,013	\$3,013	\$3,013
FT Staff Pay increase in FY 2010	\$5,436	\$5,436	\$5,436	\$5,436	\$5,436
FT Staff Holiday Pay	\$12,800	\$12,800	\$12,800	\$12,800	\$12,800
FT Staff/Chief Clothing Allowance Reduction	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Chief passes on Professional Development Conference	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Reduced Call Staff wages & OT Pay	\$46,046	\$46,046	\$46,046	\$46,046	\$46,046
Total Concessions/Savings	\$69,295	\$69,295	\$69,295	\$69,295	\$69,295

#### Added Revenue Sources

Ambulance Revenue Growth Rate	\$10,500	\$21,000	\$31,500	\$42,000	\$52,500
Additional 2 Ambulance Calls/Month	\$0	\$19,000	\$19,000	\$19,000	\$19,000
Fire Alarm Collection Fees	\$0	\$0	\$10,000	\$10,000	\$10,000
Total Revenue Increase	\$10,500	\$40,000	\$60,500	\$71,000	\$81,500

#### Net Financial impact on Town

(\$10,500)	(\$20,458)	\$4,807	\$27,243	\$63,034
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### Exhibit 2 – Override & Go-Forward Scenarios

#### Liability if Town Reduces FD Personnel

Grant Give Back	\$117,045	\$221,070	\$286,080	\$325,140	\$0
~Unemployment Costs	\$93,170	\$96,431	\$99,806	\$103,299	\$106,914
Total	\$210,215	\$317,501	\$385,886	\$428,439	\$106,914

#### Override Revenues to Stabilization Fund

\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
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#### Scenario Analysis

	Stabilization Fund Balance				
Town defaults - Year 1	(\$109,715)	(\$19,715)	\$70,285	\$160,285	\$250,285
Town defaults - Year 2		(\$117,043)	(\$27,043)	\$62,957	\$152,957
Town defaults - Year 3			(\$100,235)	(\$10,235)	\$79,765
Town defaults - Year 4				(\$80,031)	\$9,969
Town defaults - Year 5					\$268,459
Town does not default	\$100,500	\$210,958	\$296,151	\$358,908	\$385,873